

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

AMEREN TRANSMISSION COMPANY OF	)	
ILLINOIS	)	
	)	
Petition for a Certificate of Public Convenience and	)	
Necessity, pursuant to Section 8-406 of the Illinois	)	Docket No. 14-0514
Public Utilities Act, and an Order pursuant to	)	
Section 8-503 of the Public Utilities Act, to	)	
Construct, Operate and Maintain a New High	)	
Voltage Electric Service Line in the Counties of	)	
Peoria and Knox, Illinois.		

**POSITION STATEMENT AND SUGGESTED CONCLUSIONS OF  
AMEREN TRANSMISSION COMPANY OF ILLINOIS**

**Date: June 30, 2015**

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## **I. INTRODUCTION**

### **A. ATXI's Position**

Ameren Transmission Company of Illinois (ATXI) seeks a Certificate of Public Convenience and Necessity under Section 8-406 and an order under 8-503 of the Public Utilities Act (Act) authorizing it to construct, operate and maintain approximately 40 miles of new 345 kV electric transmission line from Fargo (near Peoria, Illinois) to Galesburg, Illinois (the Transmission Line). The Transmission Line, along with a new substation at Galesburg and expanded substation facilities at Fargo, are part of the "Spoon River Project"—one of the two primary components of a Midcontinent Independent System Operator (MISO)-approved Multi Value Project (MVP), known as MVP16 that will provide a 345 kV connection between Fargo and Oak Grove, Illinois.<sup>1</sup>

ATXI states the need for the Project is not the subject of dispute. ATXI asserts its evidence shows that the Project, as part of MVP16, will reduce the wholesale cost of energy delivery for consumers, by enabling the delivery of low cost generation to the load, reducing congestion costs and increasing system reliability. ATXI states prices in the competitive wholesale electricity markets in the MISO Illinois region will fall once MVP16 is placed into service, and there will be lower net customer payments. So, ATXI states, the Project, as part of MVP16, will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives.

The Project, asserts ATXI, will also provide local reliability benefits, including increased voltage support for the electric system in the Galesburg area. In addition, The Company states the Project will maintain system reliability by increasing the stability of certain generators in the area. Finally, ATXI maintains MVP16 as a whole will reduce loadings on certain transmission facilities during certain conditions.

ATXI points out Staff agrees the Project is necessary, and further that no witness offers meaningful arguments to the contrary. And, ATXI asserts, no party disputes ATXI's managerial or financial ability under the two other statutory requirements for a Certificate under Section 8-406 of the Act.

So, ATXI maintains, the primary determination the Commission needs to make here is where the Transmission Line should be located. And even that is, in large part, ATXI states, not contested. ATXI proposed two routes, A and B. ATXI's Route A runs along Interstate 74, and is ATXI's preferred route. ATXI notes no party has suggested an end-to-end route alternative to Routes A or B; instead, notes ATXI, the parties have proposed only a handful of modifications to Routes A or B. And, asserts ATXI, none of the modifications call into question the overall appropriateness of ATXI's proposed routes.

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<sup>1</sup> MidAmerican Energy Company (MEC) is responsible for building the other portion of MVP16, from Galesburg to Oak Grove, Illinois.

ATXI states it can accept the modification proposed by Mr. Charles Zelnio to Route A. However, ATXI states the remaining Staff and Intervenor modifications, while constructible, have certain concerns that make them inferior route options. Therefore, ATXI states the Commission should choose ATXI's Route A.

## **II. REQUIREMENTS FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

### **A. ATXI's Position**

Section 8-406 of the Act requires utilities to obtain Certificates of Public Convenience and Necessity before beginning "construction of any new plant, equipment, property or facility which is not in substitution of any existing plant, equipment, property or facility." 220 ILCS 5/8-406. Section 8-406(b) requires that the Commission grant a certificate if, after a hearing, it finds the Project will promote the public convenience and necessity as determined by the following criteria:

(1) That the Project is necessary<sup>2</sup> to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or that the Project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives;

(2) That the public utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof; and

(3) That the public utility is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.

*Id.* These criteria are analyzed by ATXI in briefing. As explained by ATXI, there is no dispute regarding whether the Spoon River Project is necessary, or about ATXI's ability to finance or manage the Project. And ATXI notes Staff agrees the Project is necessary, and that no other party has offered meaningful argument to suggest otherwise. ATXI points out that Staff also concurs ATXI is capable of constructing and financing the Project), and that no other party has contested this conclusion. Thus,

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2 ATXI notes "Necessary" does not mean "indispensable." "When the statute requires a certificate of convenience and necessity, the word 'necessity' is not always used in the sense of 'indispensably requisite.' If it is needful and useful to the public it is necessary." *Eagle Bus Lines, Inc. v. Ill. Commerce Comm'n*, 3 Ill. 2d 66, 78 (1954) (holding that a new bus line would serve the public convenience and necessity).

ATXI asserts, the only issue remaining is the question of the least-cost means of completing the Project—in other words, what route to use.

ATXI states it also provided notice to the public and disseminated information about the Project *beyond* what is required by Section 8-406. ATXI states it held two rounds of pre-filing public meetings to receive public comments concerning the Project in each county where the Project is to be located.) ATXI states it published notice of each public meeting in a newspaper of general circulation in each county once a week for three consecutive weeks beginning no earlier than one month before the date of the first public meeting. And ATXI states it also published notice of its Petition in the state newspaper within 10 days of the date of its filing. ATXI points out it established a Project hotline and website, and utilized other social media tools to inform and solicit feedback from stakeholders.

## **B. Commission Conclusion**

In reviewing the record, the Commission notes that no party disputes that the Project is necessary. No party disputes that ATXI has the managerial and technical capability to build the Project. And no party disputes that ATXI has the financial capability to construct the Project. Based on the evidentiary record in this case, the Commission finds that ATXI has satisfied all necessary requirements for issuance of a certificate under Section 8-406 of the Act.

## **III. NEED FOR THE PROPOSED FACILITIES TO SERVE CUSTOMERS OR TO PROMOTE DEVELOPMENT OF A COMPETITIVE ELECTRICITY MARKET**

### **A. ATXI's Position**

The Spoon River Project consists of a new substation near Galesburg, Illinois, approximately 40 miles of new 345 kV electric transmission line connecting the new substation to an existing substation near Peoria, Illinois, and new substation equipment at the Fargo Substation in Peoria. The Spoon River Project is one of two components of a Multi-Value Project<sup>3</sup> developed and approved by MISO, a Regional Transmission Operator designated by the Federal Energy Regulatory Commission (FERC) as responsible for transmission reliability, planning, and market monitoring in a region that includes fifteen states and one Canadian province.

In order to grant a certificate for the Project, the Commission must find that the Project “is necessary to provide adequate, reliable, and efficient service to the public utility’s customers and is the least-cost means of satisfying the service needs of the public utility’s customers,” or that the Project “will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives.” 220 ILCS 5/8-

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<sup>3</sup> The second component of the MVP is a 345 kV transmission line being developed by MEC.

406(b). ATXI asserts the Spoon River Project satisfies both of these criteria—it is necessary to provide adequate, reliable, and least-cost service to customers, *and* it will promote development of an effective, efficient, competitive electricity market.

1. **The Project promotes the development of an effectively competitive electricity market that operates efficiently and is equitable to all customers.**
  - a. **The Project was developed as part of a comprehensive planning effort designed to select transmission projects that are consistent with regional market needs and provide local reliability benefits.**

ATXI explains that as the Regional Transmission Operator, MISO is responsible for transmission reliability, planning, and market monitoring in a multi-state region that includes southern and western Illinois. Illinois and many other states within the MISO region have enacted legislation requiring a certain percent of electricity consumed in each state be supplied from renewable sources, particularly wind. ATXI notes that over the course of several years, MISO has been investigating whether existing transmission infrastructure is adequate to bring wind energy from the west, where it is generated, to the east, where it is consumed.

This investigation, ATXI points out, identified a portfolio of transmission projects, known as the MVPs, which will provide reliability and economic benefits in each of six alternative possible future scenarios for generation and consumption of electricity. ATXI notes the MISO Board of Directors approved the portfolio of MVPs in December 2011, and the MISO tariffs require designated transmission-owning members of MISO to construct the projects.

ATXI maintains MISO's lengthy and comprehensive analysis of transmission alternatives determined that the MVP portfolio represents an optimum means of addressing transmission and reliability needs in the region. Specifically, ATXI asserts the MVP portfolio will:

- Provide benefits in excess of its costs under all scenarios studied, with its benefit to cost ratio ranging from 1.8 to 3.0;
- Maintain system reliability by resolving reliability violations on approximately 650 elements for more than 6,700 system conditions and mitigating 31 system instability conditions;
- Enable 41 million MWh of wind energy per year to meet renewable energy mandates and goals;
- Provide an average annual value of \$1,279 million over the first 40 years of service, at an average annual revenue requirement of \$624 million; and

- Support a variety of generation policies by using a set of energy zones that support wind, natural gas, and other fuel sources.

**b. The Project provides regional market benefits including lower wholesale prices, reduced payments, and increased supply.**

The Spoon River Project, ATXI explains, as part of MVP16 and the MVP portfolio, will reduce the wholesale cost of energy delivery for the consumer by enabling the delivery of low cost generation to load, reducing congestion costs, and increasing system reliability.

First, ATXI points out, prices in the competitive wholesale electricity market operated by MISO will fall once MVP16 is placed into service, and these lower wholesale prices will inevitably result in lower retail electricity prices throughout the MISO Illinois region. ATXI notes a reduction in price is a pro-competitive outcome; therefore, ATXI asserts, MVP16 enhances an effectively competitive and efficient electricity market. See 220 ILCS 5/8-406(b).

Second, ATXI states, MVP16 will result in a substantial reduction in payments for wholesale electric energy by customers throughout the MISO Illinois region. ATXI explains that in a business-as-usual scenario, the net reduction in payments is estimated to be \$145.4 million, while the net reduction in payments under other scenarios is even greater. ATXI maintains this reduction in payments indicates that MVP16 will enhance the efficiency of the competitive electricity market because it generates benefits that significantly exceed its costs. See *also* 220 ILCS 5/8-406(b).

Third, ATXI maintains, MVP16 will increase the supply of electricity in the MISO Illinois region. ATXI explains that MVP16 creates a wind outlet path across the state, pushing power generated in the west into central Illinois. ATXI notes this path relieves constraints on the 345 kV and 138 kV systems in the region, and keeps the additional wind power from the west on the 345 kV system rather than forcing it through the 138 kV system, which would require significant upgrades to carry the increased flow. ATXI explains that in a business-as-usual scenario in 2021, MVP16 will allow an additional 216 megawatts of electricity supply to enter the MISO region via this path. And as ATXI points out, an increase in supply is a pro-competitive outcome; therefore, states ATXI, MVP16 enhances an effectively competitive and efficient electricity market. See 220 ILCS 5/8-406(b).

ATXI asserts MVP16 will result in each of these benefits—lower wholesale prices, reduced payments, and increased supply—across a range of possible future scenarios, including scenarios in which Commonwealth Edison’s Grand Prairie Gateway Project and Clean Line’s Rock Island Project are in service.

ATXI notes no party disputed the outcome of ATXI’s analyses of the competitive and efficiency benefits of the Project. And ATXI points out Staff witness Mr. Greg Rockrohr concluded: “ATXI adequately demonstrate[d] that its proposed 345 kV line, as

part of MVP16, would promote the development of an effectively competitive market even if one or both the Rock Island Clean Line project (approved in Docket No. 12-0560), and ComEd's Grand Prairie Gateway project (approved in Docket No. 13-0657) are constructed."

**2. The Project provides local reliability benefits that are "needed to provide adequate, reliable and efficient electric service, and is the least-cost means of satisfying the service needs."**

It is the position of ATXI that the Spoon River Project provides local reliability benefits, and so is needed to provide adequate, reliable and efficient service.

First, ATXI explains, the Project reduces an identified risk of exposure to low voltage in the Galesburg area. ATXI states it plans its transmission system in compliance with North American Electric Reliability Corporation (NERC)<sup>4</sup> standards, which require analysis of scenarios in which two or more system elements are out of service. Currently, ATXI states there are three transmission lines serve the Galesburg area, and the loss of any two of these three lines during a period of high demand would result in voltage collapse and the loss of a significant amount of load in the Galesburg area. ATXI maintains the Project includes a new 345 kV transmission line to supply a fourth connection to Galesburg, which will, ATXI asserts, support the load in the area whenever two of the three existing lines are out of service. Because the Project reduces the exposure to low voltage in Galesburg, ATXI states it is needed to provide adequate, reliable and efficient service. See 220 ILCS 5/8-406(b).

Second, asserts ATXI, the Project increases the stability of two generators by improving their connections to the grid. ATXI explains that power plants with additional connections to the grid are better able to withstand transmission system disturbances caused by short circuits, de-energized transmission lines, and similar events. Further explaining, ATXI states that if a power plant is disconnected from the grid because of any one of these events; the disturbance that caused the disconnection will intensify. But, ATXI asserts, because the Project provides increased connection between the power plants and the grid, it improves the stability of the power plants and the local grid. It is therefore the position of ATXI that the Project is needed to provide adequate, reliable and efficient service. See 220 ILCS 5/8-406(b).

Third, ATXI explains, MVP16, and therefore the Project, resolves overloads of certain lines. ATXI states that Ameren Services performed power flow analyses that identified violations of NERC criteria—these violations, asserts ATXI, are transmission system elements that would be operating above their applicable ratings during shoulder load in 2021. ATXI maintains MVP16 will resolve these violations of NERC criteria, and is therefore needed to provide adequate, reliable and efficient service. See 220 ILCS 5/8-406(b).

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<sup>4</sup> NERC is the Electric Reliability Organization certified by FERC.

ATXI points out that no party disputes ATXI's conclusion that the Project provides local reliability benefits, and is needed to provide adequate, reliable and efficient electric service. And ATXI notes even Staff witness Mr. Rockrohr states that "ATXI's proposed 345 kV line will also mitigate low voltage and specific transmission system constraints" at the lowest cost to AIC's customers.

As a result, ATXI explains, the Project is needed *both* to provide regional electricity market benefits that "will promote the development of an effectively competitive electricity market" *and* to deliver local reliability benefits and so "provide adequate, reliable and efficient electric service." ATXI points out the parties' Initial Briefs confirm that the overall need for the Project is undisputed. ATXI notes Staff agrees that the Project, as part of MVP16, will providing consumers "access to lower cost generation to fulfill [Illinois' Renewable Portfolio Standard] requirements." ATXI further points out that Staff agrees this remains true "even if one or both the [Clean Line's Rock Island Project] and [Commonwealth Edison Company's Grand Prairie Gateway Project] projects are constructed." And Staff agrees that the Project "will also mitigate low voltage and specific transmission system constraints at a lower cost to Ameren Illinois Company's [AIC] customers than would be the case if these were addressed separately from MISO's MVP portfolio." Staff concludes that "ATXI has demonstrated that [the Project] satisfies Section 8-406(b) of the Act" and recommends the Commission approve the Project, if the entire MVP16 is approved.

ATXI notes the SP Parties<sup>5</sup> group incorrectly asserts that the Project "only creates benefits" if the MEC portion of MVP16 is constructed. AXTI states that it explained in its Initial Brief, that the Project provides local reliability benefits, independent of the MEC portion of MVP 16: the Project reduces an identified risk of exposure to low voltage in the Galesburg area and increases the stability of two generators by improving their connections to the grid.

ATXI notes the remaining parties take no position on the overall need for the Project.

### **3. The Project is the least-cost means of providing the regional market benefits and local reliability benefits of the Project.**

It is ATXI's position that the Spoon River Project is the result of an extensive effort by MISO and its members to identify the optimum set of projects that would address transmission and reliability needs in the MISO region. During that process, ATXI points out, MISO and its members examined alternative projects, including a connection from Fargo to the Kewanee substation to Oak Grove. However, ATXI

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<sup>5</sup> The SP Parties group consists of the Knox County Landowner Intervenor, the Peoria County Interstate 74 Landowner Intervenor and Charles and Annette Zelnio. Mr. Steven Ramp testified on behalf of the Knox County Landowner Intervenor, Messrs. Gerald and Randall Moon testified on behalf of the Peoria County Interstate 74 Landowner Intervenor, and Mr. Zelnio testified on behalf of himself and his wife.

explains, the Project was determined to provide additional voltage support at lower cost to area ratepayers, and so was chosen as the optimum alternative. ATXI notes no party has identified an alternative project that would provide similar benefits at a similar or lesser cost. Therefore, ATXI asserts the Project is the least-cost means of providing the regional market benefits and the local reliability benefits described above. See 220 ILCS 5/8-406(b).

## **B. Commission Conclusion**

In order to grant a certificate for the Project, the Commission must find that the Project “is necessary to provide adequate, reliable, and efficient service to the public utility’s customers and is the least-cost means of satisfying the service needs of the public utility’s customers,” or that the Project “will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives.” 220 ILCS 5/8-406(b). ATXI asserts the Spoon River Project satisfies both of these criteria—it is necessary to provide adequate, reliable, and least-cost service to customers, *and* it will promote development of an effective, efficient, competitive electricity market.

The Commission finds that Spoon River Project will promote development of an effectively competitive electricity market that operates efficiently in several ways. The Spoon River Project, as part of MVP16 and the MVP portfolio, will reduce the wholesale cost of energy delivery for the consumer by enabling the delivery of low cost generation to load, reducing congestion costs, and increasing system reliability. Prices in the competitive wholesale electricity market operated by MISO will fall once MVP16 is placed into service, and these lower wholesale prices will inevitably result in lower retail electricity prices throughout the MISO Illinois region. MVP16 will result in a substantial reduction in payments for wholesale electric energy by customers throughout the MISO Illinois region. MVP16 will increase the supply of electricity in the MISO Illinois region. MVP16 creates a wind outlet path across the state, pushing power generated in the west into central Illinois. Thus, the Commission finds that the Spoon River Project “will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives.” 220 ILCS 5/8-406(b).

Based upon the record in this case, the Commission also agrees that ATXI demonstrated that the Project provides local reliability benefits that are independent of the MEC portion of MVP16: the Project reduces an identified risk of exposure to low voltage in the Galesburg area and increases the stability of two generators by improving their connections to the grid. Therefore, the Commission also concludes that the Project is necessary to provide adequate, reliable, and efficient service to the public utility’s customers

## **IV. LEAST-COST AND THE PROPOSED TRANSMISSION LINE ROUTES**

### **A. ATXI’s Position**

ATXI points out the contested issues before the Commission in this case are limited. As the Company discussed above, there is no dispute amongst the experts that the Project is needed. ATXI asserts the only question remaining is where to locate the Transmission Line. And, ATXI states, even this question is limited to whether to adopt certain modifications proposed by Staff and Intervenors. No party, ATXI notes, proposed a new end-to-end route for the Project that will connect the Sandburg and Fargo Substations. And, ATXI maintains, the few routing proposals advocated by Staff and Intervenors Messrs. Steven Ramp and Charles Zelnio simply modify portions of either ATXI's proposed Route A or Route B.

After Initial Briefs, ATXI believes the question before the Commission is now limited to whether to adopt two modifications proposed by Staff and Intervenors: 1) the uncontested modification to Mr. Charles Zelnio's property, and 2) Mr. Ramp's Alt 1 modification. ATXI states it prefers Route A, unmodified, as proposed in its Petition and its Initial Brief. ATXI states it would also accept the Zelnio modification. ATXI states, however, that it continues to oppose the Ramp Alt 1 modification as inferior, because it raises concerns not present along ATXI's routes.

In assessing ATXI's Proposed Routes for the Transmission Line and the route modifications proposed by other parties, ATXI points out the Commission should be aware of several things. First, notes ATXI, any routing decision inherently involves tradeoffs between competing interests—few routes will satisfy everyone. Second, ATXI asserts, the Commission has repeatedly recognized, “least cost” is not simply the lowest dollar cost associated with construction and maintenance. ATXI explains that other factors must be considered when determining which route is “least cost.” For routing purposes, ATXI notes, “the proper determination of least cost is not simply a financial analysis, but involves a comprehensive consideration and balancing of the overall costs and externalities against the benefits of the route proposals.” *Ill. Power Co.*, Docket 06-0706, Order, at 52 (Mar. 11, 2009); *see Ill. Power Co.*, Docket 06-0179, Order at 16-17 (May 16, 2007) (the Commission approved a route that cost approximately \$3.5 million more than its alternatives in order to avoid locating the transmission line near residences). ATXI points out that in Docket 12-0598, the Commission again noted that determining “least cost” cannot be done in a vacuum by focusing only on the dollar cost of a route, but rather is the result of balancing sometimes-competing interests. In that case, explains ATXI, the Commission was faced with a choice between one route that was shorter, cheaper, and involved fewer landowners, but possibly presented operational issues due to extensive paralleling, and a second route that was longer, more expensive, and involved more landowners, but avoided the possibility that a large storm might dismantle two nearby transmission lines. *Ameren Transmission Co. of Ill.*, Docket 12-0598, Second Order on Reh'g at 28 (Feb. 20, 2014). ATXI asserts that in selecting the longer, more expensive route, the Commission found the deciding factor was balancing the cost of each route against operational reliability: “In the Commission's view, providing utility service at least cost is important. Even more important is providing safe and reliable service to utility customers.” *Id.*

Thus, it is ATXI's position that the Commission's practice has therefore been to evaluate transmission line routes using a variety of criteria: (i) length of the line; (ii)

difficulty and cost of construction; (iii) difficulty and cost of operation and maintenance; (iv) environmental impacts; (v) impacts on historical resources; (vi) social and land use impacts; (vii) number of affected landowners and proximity to residences and structures; (viii) proximity to existing and planned development; (ix) community acceptance; (x) visual impact; and (xi) presence of existing corridors. See *Ill. Power Co.*, Docket 06-0706, Order on Reopening at 6-7. ATXI explains use of these criteria confirms that the Commission does not consider only the dollar cost of a project.

Finally, ATXI maintains the Commission must assess the Project and the route alternatives from the perspective of the public as a whole, not based on the concerns of individuals. *Village of Hillside v. Ill. Commerce Comm'n*, 111 Ill. App. 3d 25, 31-32 (1st Dist., 1982) (noting that considerations such as the impact on the surrounding community from the sale of a utility-owned quarry and ash disposal site to a gravel corporation for use as a sanitary landfill were “not of paramount importance” to a Commission decision on public convenience and necessity). ATXI asserts the Project is necessary and must be placed somewhere. However, ATXI maintains it is committed to mitigating the impacts that the route imposes, where feasible and appropriate, through pole placement and compensation.

#### The Proposed Routes were Selected through a Comprehensive Process.

ATXI's states its Proposed Routes were selected through a comprehensive process. This multi-disciplinary routing team, explains ATXI, evaluated many factors and considerations, including but not limited to, varying impacts to different land uses, stakeholders, landowners or other members of the general public; cost considerations; constructability or other physical and/or engineering considerations; regulatory compliance; environmental considerations; and cultural and historical resource concerns.

ATXI demonstrated that the right-of-way for the Transmission Line will be 150 feet in width. This is the typical right-of-way for a 345 kV transmission line of this design and is the minimum width needed to construct and safely maintain the transmission line. ATXI also explained it is possible that ATXI will require construction easements if the construction contractor needs to set equipment outside the 150-foot right-of-way during construction. If such easements are needed, they will be up to 150 feet in width, in addition to the 150-foot wide right-of-way. ATXI also explained that in order to operate and maintain the line after it is constructed, ATXI requires access to the easement area. This may require separate access rights if terrain and other factors make access over the 150-foot permanent easement not feasible. Separate access rights would typically include rights of ingress and egress across a landowner's property that would allow ATXI's personnel or agents to reach the easement on which the line is located for purposes of line repair or maintenance. ATXI states it may also require access to vegetation adjacent to the permanent easement area for purposes of vegetation management needed to ensure safe operation of the line. On those portions of the route where the transmission line parallels existing road right-of-way, the centerline of the tangent structures will typically be placed seven to ten feet from the edge of the road right-of-way, in accordance with standard industry practice.

ATXI maintains a key element of the route siting analysis was public input—via focus group meetings, community representative forums, in-person and online open houses, and the use of social media. Explaining, ATXI states, the goal of the public process was to confirm the accuracy of ATXI's data, provide information about the Project, and obtain feedback from participants to determine the routing factors most important to the public so they could be considered in designing the route. Throughout the process, ATXI notes that participants consistently raised two routing considerations for discussion: proximity to existing residences and potential impacts to agriculture.

ATXI states it selected two Proposed Routes for the Transmission Line, Routes A and B, as well as one Route Connector (a route segment allowing for an alternate connection to Fargo substation for Route A). ATXI explains its two Proposed Routes emerged from the Routing Study as the optimum locations for the proposed Transmission Line where the potential for environmental impacts could be reduced or minimized. These routes, explains ATXI, are intended to be cost effective while best meeting the routing criteria. For example, ATXI notes one concern was proximity to residences. ATXI states the Proposed Routes, as currently designed, are located such that no residences are within 150 feet of the Transmission Line. ATXI maintains both of the Proposed Routes are sound from an engineering perspective, and can be constructed in compliance with engineering best practices as well as applicable technical specifications.

ATXI asserts its Routing Team performed a detailed analysis of the two Proposed Routes to determine which best adheres to the Routing Criteria for the Project. ATXI states it selected Route A as the Preferred Route because it best adheres to the Routing Criteria, for the reasons discussed below. Although ATXI prefers Route A, ATXI can and will construct the Project along either of the Proposed Routes if so ordered by the Commission.

#### Intervenors' Concerns Regarding the Impact of the Project on Their Properties Can Be Mitigated.

ATXI notes that some Intervenors expressed concerns about the Project's impact on their property. However, ATXI maintains these concerns may be mitigated through careful design and construction, and landowners will be compensated for any remaining effect on their property.

In order to mitigate the impact of the Project on landowners, ATXI states it will seek to coordinate with each landowner on placement of the poles, and will adjust pole placement where feasible and appropriate to address specific landowners' concerns. For example, ATXI might adjust the location of a pole during the detailed line design phase to mitigate a landowner's concern that a pole was too close to the entrance to a field, that a pole was so close to an existing structure or fence that farm equipment cannot reasonably maneuver around it, or that a pole was inside the arc of an existing or soon-to-be-constructed center pivot irrigation system.

In addition, ATXI points out, the Company and the Illinois Department of Agriculture have entered into an Agricultural Impact Mitigation Agreement (AIMA) that requires ATXI to undertake specific procedures for assessing and mitigating damage to soil, drainage tile, and crops (during both initial construction and future maintenance on the line). For example, ATXI will work to avoid soil compaction, but if it occurs, ATXI states it will chisel all compacted soil or compensate landowners for their costs to correct compaction. Likewise, ATXI states it will request information from landowners regarding drainage tile on their properties and conduct an engineering evaluation to determine whether it is possible to relocate structures that would interfere with drainage tile or relocate the drainage tile.

ATXI notes the AIMA also includes specified methods for compensating landowners for crop loss and soil compaction. ATXI witness Mr. Roger Nelson explained that “Ameren and ATXI has a very good track record in that regard in that we do offer prepaid damages for multi-year damages related to compaction. And the landowners have accepted that very well.” Put simply, it is ATXI’s position that the Company is committed to addressing landowners’ concerns.

In addition to ATXI’s commitment to mitigate the impact of the Project on landowners, ATXI states it also intends to fairly compensate affected landowners for the impact of the Transmission Line, so that after the line is constructed, ATXI maintains, there is no impact upon property resulting in diminution of value beyond that reflected in the compensation paid by ATXI. In acquiring easements for the transmission line, ATXI states it will offer landowners compensation based on a third-party independent appraiser’s determination of the market value of the property. ATXI asserts its offer of compensation will make the landowner whole by fully compensating them for any impact the easement has on the market value of their property.

Finally, ATXI explains, it will seek to acquire land rights for a specific purpose only (the transmission line), rather than the full fee interest in the land to be encumbered by the easement. Thus, ATXI’s position is that the landowners will retain all existing property rights other than the easement rights ATXI will require, including rights to farming, hunting, access, and all other uses that do not conflict with the Transmission Line.

Of the Route Modifications Proposed by Staff and Intervenors, the Commission Should Adopt the Zelnio Modification and Reject the Rest.

ATXI notes Intervenor Mr. Charles Zelnio proposed two modifications to ATXI’s Route A. One ATXI states it cannot construct, and the second ATXI states it does not object to constructing, as the Company discusses below.

ATXI explains Mr. Zelnio first suggested that the Transmission Line be located on land adjacent to the western edge of his property, which is owned by the Illinois Department of Transportation (IDOT) and used as a rest area for Interstate 74. However, ATXI asserts it cannot construct the line on the IDOT land west of Mr. Zelnio’s property as he suggests. As ATXI witness Mr. Lucas Klein explained, ATXI discussed

constructing the Transmission Line along Interstate 74 with IDOT during the route selection process. As part of those discussions, ATXI states IDOT advised the Company that overhead lines could encroach within interstate right-of-way and will be allowed to cross the interstate, *but* that no structures can be located within the interstate right-of-way. As ATXI explains, because Mr. Zelnio's proposal would place structures within the interstate right-of-way, ATXI asserts it cannot construct this modification.

ATXI explains that Mr. Zelnio also proposed a limited modification to ATXI's Route A as it crosses his property. This modification, notes ATXI, moves the line closer to Mr. Zelnio's western and southern property lines, rather than crossing his property diagonally. ATXI maintains that Mr. Zelnio's proposed modification would increase the distance between the Project and his residence, would span emergent wetlands, and would not need additional permits. However, ATXI states, Mr. Zelnio's modification will require design changes, additional structures that will lengthen the construction time slightly, and result in a higher construction cost (approximately \$500,000) than unmodified Route A. Importantly, ATXI asserts, these design considerations affect only the property of the landowner who is requesting the changes, and so are similar to minor design changes made on other new lines when working with landowners during the acquisition of land and the final line design. Therefore, ATXI states it would not object to constructing Route A with Mr. Zelnio's proposed modification, if the Commission approves the higher cost.

ATXI points out Staff witness Mr. Rockrohr's first modification (depicted on Attachment B to his direct testimony) also proposed to modify how Route A crossed Mr. Zelnio's property, and was substantially similar to the modification Mr. Zelnio proposed. As such, ATXI notes Mr. Rockrohr does not object to adoption of Mr. Zelnio's modification in lieu of his Attachment B proposal.

ATXI notes that Staff, in Initial Briefs, did not continue to support Mr. Rockrohr's second proposed modification (depicted on Attachment C to his direct testimony).

ATXI notes Mr. Steven Ramp also proposed modifications to ATXI's Proposed Routes. Mr. Ramp's first proposal, explains ATXI, includes one primary modification, which could merge with either Route A or Route B, thus creating two possible alternatives (referred to as Route A, Alt 1 and Route B, Alt 1). ATXI states the only difference between these two alternatives is the short north-south segment at the eastern end: Route A, Alt 1 merges with ATXI's Route A and Route B, Alt 1 merges with ATXI's Route B. In other words, explains ATXI, Mr. Ramp's Alt 1 is essentially the same whether it alters ATXI Route A or Route B.

ATXI points out that Mr. Ramp proposed an Alt 2 modification, which is essentially a hybrid of Routes A and B. The only difference between Route A and Route A as modified by Alt 2, explains ATXI, is that the line would parallel Interstate 74 to the north and use Route B from the point where Routes A and B diverge just east of Knox Highway 21 to where they remerge north of Interstate 74 southwest of Trenton Corners, Illinois. ATXI notes that in their Initial Brief, the SP Parties do not recommend approval of Mr. Steven Ramp's proposed Ramp Alt 2. Nor do they, ATXI points out,

recommend the “simple jog” that would cross back and forth across Interstate 74 to avoid the property of another Intervenor—Mr. and Mrs. Shipley.

ATXI estimates that both Routes A and B with Mr. Ramp’s Alt 1 would be more costly than Route A or B without the Alt 1 modification. ATXI also notes Ramp Alt 1 will present additional construction difficulties as the Company discusses below.

Analysis Under the Twelve Criteria Shows ATXI’s Route A is the Superior Choice.

ATXI continues to prefer Route A, unmodified, as proposed in its Petition. However, ATXI can also construct Route B. As discussed above, ATXI states it would not object to building Route A with Mr. Charles Zelnio’s modification, if the Commission approves the higher cost. ATXI’s maintains its evidence, as set forth below, shows the Preferred Route (Route A) represents the best balance of interests, is the least cost option, and should be selected by the Commission. ATXI states Route A is the shortest and least cost route; requires the least right-of-way; requires the fewest crossings of existing infrastructure; impacts the fewest landowners and parcels; parallels the greatest length of existing right-of-way and opportunities; impacts the least agricultural land, including designated prime farmland; is not within 0.5 miles of a known occurrence of any listed species; has the least impact to wetlands, including forested wetlands; crosses the fewest streams; and has no National Register of Historic Places (NRHP) sites within 1.5 miles.

ATXI notes that Staff witness Mr. Rockrohr concurs with ATXI that Route A is superior to Route B. And that Mr. Rockrohr concludes that Route A (with two minor modifications) appears to be the least-cost available route.

**1. Length of the Line**

	Route A			Route B	
	ATXI	Zelnio	Ramp (Alt 1)	ATXI	Ramp (Alt 1)
<b>Estimated Length (in Miles)</b>	39.3	>39.3	40.1	44.9	45.8

ATXI states that Route A (unmodified) is the shortest, and the recommended modifications increase the length and number of structures required to construct the Transmission Line.

**2. Difficulty and Cost of Construction**

ATXI’s Route A, unmodified, is the superior route with respect to difficulty and cost of construction. ATXI explains the cost estimates for the modified routes proposed by Staff and Intervenor shown below are based on the same cost model and underlying assumptions as the cost estimates for ATXI’s proposed routes. ATXI

explains that for purposes of comparison and to avoid misrepresentation of Project costs that remain constant regardless of route length, full end-to-end estimates were developed for each proposed modification.

<b>Route</b>	<b>Estimated Cost (in millions)</b>
Route A (unmodified)	\$92.1
Route A with Zelnio Modification	\$92.6
Route A with Ramp Alt 1	\$94.0
Route B (unmodified)	\$97.9
Route B with Ramp Alt 1	\$100.1

Regarding Mr. Ramp's Alt 1 modification, ATXI states it has not identified any obstacles that would prevent constructing the Transmission Line as Mr. Ramp proposes. However, ATXI points out, Mr. Ramp's modification places ATXI's Route B parallel to a crude oil pipeline for approximately 3.3 miles. ATXI witness Mr. Molitor explained this would require a study to analyze the effect of the Transmission Line on the pipeline. Typically, explains ATXI, placing a transmission line parallel to a pipeline requires the addition of cathodic protection and grounding to the pipeline to mitigate induced voltage from the Transmission Line. ATXI maintains both Routes A and B also parallel the same pipeline for roughly 0.8 and 1.4 miles, respectively, and both will require a similar study to the one mentioned above. However, ATXI points out the longer length of the paralleling involved in Mr. Ramp's proposed modification, presents greater engineering and cost concerns.

ATXI witness Mr. Lucas Klein also explained that Mr. Ramp's Alt 1 is less desirable from a construction viewpoint because "there's also the potential that there will be more crossings of the pipeline during construction, and those crossings may have requirements from the pipeline to install bridging or some manner that would protect the pipeline from the weight of the vehicles." And despite SP Parties implication, the fact that no pipeline owner has intervened has no significance to this case. Paralleling or crossing pipelines will require coordination with the owners to obtain permits or agreements *after* a route has been approved

ATXI maintains that a second issue is the proposed location of the 90-degree turn at the northeast corner of Mr. Ramp's proposed modification. ATXI explains this turn is in an area of comparatively low elevation, which ATXI states would present design difficulties and most likely require a taller heavy angle structure and a larger foundation that will increase the cost. In general, ATXI explains, it is preferred, in designing transmission lines, to keep the more expensive angle and dead-end structures as short as possible and to make up the height with less expensive tangent structures.

ATXI notes the SP Parties suggest that ATXI has “exaggerated” the issue about the proposed location of the 90-degree turn at the northeast corner of Ramp Alt 1. But ATXI explains that the elevations in the area of the 90-degree turn in Mr. Ramp’s proposed modification are engineering factors weighing against the modification. Further, ATXI notes, the low elevation would most likely require a taller heavy angle structure and a larger foundation that will increase the cost. As it is a heavy angle structure, ATXI explains an increase in height will increase the cost of the pole significantly more than it would if the angle was smaller or if it was a tangent. Similarly, ATXI notes, the foundation will increase in cost more for a heavy angle but will also carry a greater risk of significant cost increases as it is dependent on the soil quality at the location of the structure. ATXI states the taller 90-degree structure will not prevent ATXI from designing or constructing Mr. Ramp’s proposed Alt 1 modification, but it will increase the cost.

### **3. Difficulty and Cost of Operation and Maintenance**

ATXI considers Route A superior from an operation and maintenance perspective, although the Company notes all the routes currently recommended or otherwise supported by the parties’ are comparable in this regard..

### **4. Environmental Impacts**

ATXI’s asserts its Route A is preferred with respect to environmental impacts. Specifically, explains ATXI, compared to Route B, Route A has the least impact to wetlands, including forested wetlands, and crosses the fewest streams. ATXI states its Route A as proposed by the Company and Route A as modified according to Mr. Rockrohr’s Attachment C have similar impacts to Sensitivities.

However, ATXI points out Mr. Ramp’s Alt 1 modification crosses 15 more acres of forested land than ATXI’s Route A and 24 more acres of forest than ATXI’s Route B. ATXI notes that since all forest within the right-of-way must be cleared, the additional acres of forested land impacted by Mr. Ramp’s modification are significant. ATXI explains that Mr. Ramp’s proposed Alt 1 modification would also require crossing 10 more streams than ATXI’s Route A and nine more streams than ATXI’s Route B, which ATXI states may require more erosion control measures during construction. These factors, ATXI asserts, render Routes A and B, without the modification, superior to Ramp Alt 1.

ATXI notes that SP Parties contend that there are no increased environmental impacts associated with Ramp Alt 1. ATXI states, that, however, this is not true. ATXI states Mr. Ramp’s Alt 1 modification crosses 15 more acres of forested land than ATXI’s Route A and 24 more acres of forest than ATXI’s Route B. ATXI asserts that since all forest within the right-of-way must be cleared, the additional acres of forested land impacted by Mr. Ramp’s modification are significant. ATXI also notes Mr. Ramp’s proposed Alt 1 modification would also require crossing 10 more streams than ATXI’s

Route A and nine more streams than ATXI's Route B, which may require more erosion control measures during construction. Therefore, it is ATXI's position that these factors render Routes A and B without the modification superior to Ramp Alt 1.

## **5. Impacts on Historical Resources**

ATXI asserts that its Route A is also superior with respect to impacts on historical resources. ATXI explains there are no sites listed on the NRHP within 1.5 miles of Route A. And ATXI states there is only one NRHP site within 1.5 miles of Route B, but, ATXI notes, Route B does not cross the site.

ATXI explains Route A crosses one archaeological site located along the north side of Interstate 74 in Section 1 of Haw Creek Township. But, ATXI notes, the site has not been evaluated for listing on the NRHP. ATXI explains the site was surveyed in 1964, and its current condition is unknown, although ATXI states it is expected that some level of damage has occurred during the construction of Interstate 74 and because of current farming practices on the land.

Because Route A runs primarily along active agricultural land and existing pre-disturbed rights-of-way such as Interstate 74, ATXI states the presence of archaeological or historical resources would not prevent the Transmission Line from being constructed. ATXI explains the extent of impacts to cultural resources is dependent on the final location of the approved route, including the location of the Transmission Line structures. ATXI states it will continue to coordinate with the Illinois Historic Preservation Agency regarding cultural resources. ATXI further states it will conduct any required cultural resources surveys to identify any unknown resources and to further define the extent and integrity of known resources. ATXI states it will minimize direct and indirect impacts to cultural resources through appropriate placement of the Transmission Line structures, to the extent feasible. ATXI states it will also obtain necessary approvals before construction. Accordingly, ATXI asserts, the presence of archaeological or historical resources along any of the Proposed Routes would not prevent their construction.

ATXI notes the SP Parties and Mrs. Tomlinson both note that Route B impacts no known archaeological sites, whereas there is one site along Route A. But ATXI explained in its Initial Brief, the one archaeological site that Route A crosses has not been evaluated for listing on the NRHP. As ATXI has explained, the site was surveyed in 1964, and its current condition is unknown, although it is expected that some level of damage has occurred during the construction of Interstate 74 and because of current farming practices on the land.

ATXI points out that in briefing, for the first time in this case, Mr. McMurtry states, *without any evidentiary support*, there is a "historic house located near Princeville [that] is approximately 0.5 mile[s] from Route B." Notwithstanding the impropriety of asserting facts not in the record, ATXI states Mr. McMurtry fails to explain what makes this house "historic" or how Route B would impact it from a distance of a half-mile. ATXI points out that Mr. McMurtry also states there is a church in Brimfield that was founded in 1845,

which is bears a marker from the Illinois State Historical Society from 1951. However, ATXI notes neither of these structures are listed on the NHRP though. Regardless, ATXI states neither Route A nor Route B cross a NRHP site. And, notes ATXI, while there is one NRHP site within 1.5 miles of Route B, there are no sites listed on the NRHP within 1.5 miles of Route A. Thus, it is still ATXI's position that Route A is also superior with respect to impacts on historical resources.

## 6. Social and Land Use Impacts

ATXI states its Route A reflects an optimum location for the Transmission Line in that it would limit societal and land use impacts. ATXI points out the record does not indicate that Route A would create social or land use impacts greater than those created by the route modifications proposed or recommended by Staff and Mr. Ramp.

In his opposition to Route A, ATXI notes Mr. McMurtry mentions, again for the first time and *once more without any evidentiary support*, a single parcel in Peoria County he claims was sold in 2014 for \$600,000. ATXI notes Mr. McMurtry states he “do[es] not feel the potential future land use for this parcel was considered.” First, First, ATXI asserts, the Commission should disregard Mr. McMurtry's unsupported claims. Even so, ATXI maintains, it is not clear how the sale price of this single parcel indicates its future use. ATXI asserts it is no clear how, or in what capacity, Mr. McMurtry believes ATXI did or did not consider the future use of this single parcel along the 40-mile route for the Project. However, it remains ATXI's position that Route A reflects an optimum location for the Transmission Line in that it would limit societal and land use impacts.

## 7. Number of Affected Landowners and other Stakeholders and Proximity to Homes and other Structures

	Route A		Route B	
	ATXI	Ramp (Alt 1)	ATXI	Ramp (Alt 1)
<b>Parcels within ROW (count)</b>	194	207	242	256
<b>Landowners within ROW (count)</b>	145	153	164	172
<b>Easement Required (acreage)</b>	571	620	795	828
<b>Residences within 0-75 feet of centerline</b>	0	0	0	0
<b>Residences within 75-150 Feet of centerline</b>	0	0	0	0
<b>Residences within 150-300 feet of centerline</b>	7	6	7	3
<b>Residences within 300-500 feet of centerline</b>	17	15	15	13

<b>Residences within 500-1000 feet of centerline</b>	75	75	38	40
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ATXI understands Mr. Ramp contends Route B, “as a whole,” is the best route for the Project because it impacts far fewer homes with only a modest increase in cost to construct. Further, if, however, the Commission concludes that Route A should be utilized, Mr. Ramp argues “that route should be adjusted to include the [Ramp Alt 1] modification.” Mr. McMurtry also recommends Route B, but suggests that in the alternative, he would “pick the Ramp Alternate 1 on Route B as it would have the number of residences within a thousand feet of center line at 56 compared to 100 for the unmodified Route A.”

ATXI notes, however, that there are zero residences within 150 feet of the centerline of ATXI’s Routes A and B, with or without Mr. Ramp’s Alt 1 modification. Any difference in proximity to residences only really occurs beyond 500 feet from the proposed centerlines.

ATXI notes SP Parties argue that Ramp Alt 1 reduces the number of residences affected. However, SP Parties focus on residences located more than 150 feet from the centerline (and up to 500 feet) of the Transmission Line. By contrast, ATXI argues Mr. Ramp’s Alt 1 modification impacts more landowners, crosses more parcels, and requires more acres of right-of-way than ATXI’s Route A and B.

ATXI notes that although Route A has more residences within 300–500 feet than Route B, the majority of the residences along Route A are located along the Interstate 74 corridor, and almost half are closer to the Interstate than they are to Route A. ATXI’s expert routing witness Mr. Matthew Koch explained that this meant that for many residences, the Interstate is between the residence and Route A: “there is an existing corridor that is between the -- where Route A is and where the residences are. So there’s already an existing corridor that’s been impacted.” But by paralleling an existing interstate corridor, which is also an opportunity that is oriented with the Project direction (northwest to southeast), ATXI states Route A will have the least overall impact to existing land use. Staff witness Mr. Rockrohr also agreed at hearing that Route A is superior to Route B despite having more residences within 1,000 feet of the centerline because “the closer distances are more important to consider than the...a thousand feet is getting to be two tenths of a mile, and in my view that is the edge of when an impact will, could be considered for particular residents.”

In championing Route B over Route A, ATXI explains the SP Parties wrongly claim the Commission has “explained that impacts to residences are of greater concern than costs.” While it is correct that Commission has approved more expensive routes that avoid residences, ATXI argues it is not accurate to suggest the Commission considers impacts to residences irrespective of cost. Instead, the Commission has found, “the Commission’s decision will result from a balancing of these 12 criteria to the extent that they are relevant to the proposed facilities and any other relevant criteria presented by the parties, and *none is inherently more important than the next.*” *Ameren*

*Transmission Co. of Ill.*, Docket 12-0598, Order at 15 (Aug. 20, 2013) (emphasis added); see also *Ameren Transmission Co. of Ill.*, Docket 12-0598, Second Order on Reh'g at 7 (Feb. 20, 2014) (“[n]one of the criteria is inherently more important than another.”).

## **8. Proximity to Existing and Planned Development**

ATXI contends there is no record evidence that any route or route modification superior with respect to proximity to existing or planned development. ATXI notes that several intervenors discuss a letter the Village of Brimfield sent to the Commission, in September 2014 asking that any approved route be located “at least one and half miles” outside the Village limits. The record does show that ATXI invited representatives from the Village of Brimfield to the multiple rounds of public meetings, and ATXI sent the Village notice when it filed its Petition initiating this case. But the Village did not intervene in this proceeding. Therefore, ATXI argues the letter does not provide a basis to find Route A is inferior with respect to proximity to existing or planned development

## **9. Community Acceptance**

According to ATXI, the table below illustrates the current support for ATXI's Proposed Routes, as reflected in the parties' respective briefs:

<b>Route</b>	<b>Route A</b>	<b>Route B</b>
<b>Party(ies) Recommending Approval</b>	ATXI, Staff, CARB, Shipley	SP Parties McMurtry, Tomlinson

ATXI notes that while both the Company and Staff prefer Route A, Intervenor group Citizens Against Route B (CARB) opposes Route B. ATXI notes several Intervenor group members who own property along Route A filed testimony stating their preference for Route B. However, ATXI states that as the Company and Staff agree, Route B is less desirable than Route A because it is longer, would affect more parcels and landowners and does not take advantage of overlapping Interstate 74 to the extent Route A does.

ATXI asserts that in briefing, SP Parties again misrepresent the record and state “no intervenor has submitted evidence against” Route B. ATXI states this disregards ATXI's and Staff's stated preference for Route A over Route B. And, ATXI argues, it disregards the testimony of CARB witness Mr. Dan Maher, who opposes Route B. The SP Parties argue that a petition attached to group member Mr. Gerald Moon's testimony contains more than 150 signatories who allegedly oppose Route A. However, as Mr. Maher testified, he signed the petition under the belief that his signature “would simply keep the transmission line off the Tomlinson's property. At that time, [he] was not aware that [Route B] was being considered and that [Route B] would be crossing [his] property.”

## **10. Visual Impact**

ATXI states it does not consider any route to be superior relative to another with respect to visual impact.

## **11. Presence of Existing Corridors**

ATXI characterizes “opportunities” as “pre-existing linear infrastructure or features such as existing rights-of-way, roads, transmission lines, property lines, field lines.” ATXI states its Preferred Route (Route A) is the superior route for the Project because it is the shortest route across the Project area that would follow existing Opportunities for the majority of its length—71%. It is the position of ATXI that Route A’s greatest advantage is approximately 40% of its right-of-way overlaps the existing Interstate 74 easement area, thereby requiring the least acreage of new right-of-way. ATXI notes that Staff agrees that Route A is the superior route, stating “Route A’s easement will overlap the existing I-74 easement for much of its distance, reducing impacts to landowners.” ATXI also notes the Commission has routinely approved transmission line routes that parallel existing roads and highways. See *Ill. Power Co.*, Docket 06-0706, Order, at 54 (Mar. 11, 2009) (approved a route that is closer to more existing roads, including Interstate 80); *Ill. Power Co.*, Docket 06-0706, Order on Reopening at 10-12 (June 23, 2010) (approved a route paralleling state road because physical access to the location makes construction and access easier, and easier and less costly to operate and maintain); *Ameren Transmission Co. of Ill.*, Docket 12-0598, Second Order on Reh’g at 49 (Feb. 20, 2014) (approved a route along Highway 51 because it facilitates access for the majority of its length.) Ramp Alt 1 would be inconsistent with these determinations.

ATXI asserts the SP Parties wrongly state that modifying Route A with Ramp Alt 1 means the presence of existing corridors favors adoption of the modification. ATXI notes the SP Parties focus on property and field lines but ignore the fact that the modification moves the line away from the most important existing corridor available—Interstate 74.

ATXI points out the SP Parties also claim Staff considers that Route A crossing Interstate 74 is a “significant issue.” ATXI asserts this is a mischaracterization of Mr. Rockrohr’s testimony. ATXI explains Staff witness Mr. Rockrohr stated simply: “compared to Route A, use of Mr. Ramp’s [Alt 1] modification would eliminate two crossings of I-74.”

Yet, ATXI notes, the SP Parties continue, stating that “[g]iven the fact that no permit has been secured from IDOT yet, the concern [that Route A crosses Interstate 74 twice] is justified.” First, ATXI asserts, the two crossings along Route A are *not* a concern. ATXI states it met with the Illinois Department of Transportation (IDOT) during the route development process. IDOT reviewed ATXI’s proposed alignments along Interstate 74 and indicated in their August 7, 2014 letter that they will accommodate ATXI in the installation of the poles if no structures are located on the interstate right-of-way and their policies are met. Second, it is premature to obtain a permit *before* a route has been approved. Regardless of the route approved, ATXI will acquire a permit from

IDOT before constructing the Project, for any location where the right-of-way of ATXI's route that is approved by the Commission overlaps IDOT's right-of-way.

## **B. Commission Conclusion**

In assessing and evaluating each of the proposed routes for the transmission line, the Commission is aware that any routing decision inherently involves a balance of competing interests. The concept of least cost includes factors beyond merely dollar costs and the Commission's selection of routes is based on consideration of all factors, not just dollar cost. See, e.g., *Ill. Power Co.*, Docket 06-0706, Order, at 52, 62 (Mar. 11, 2009); *Ill. Power Co.*, Docket 06-0179, Order, at 16-17 (May 16, 2007). The factors evaluated by the Commission include impacts to a variety of land uses, stakeholders, landowners and other members of the general public; cost considerations; constructability or other physical considerations; regulatory compliance; and other environmental considerations. The Commission concurs with the Shipleys in commending ATXI on its routing for the Project. Largely because of ATXI's efforts, the question before the Commission is limited whether to adopt two modifications proposed by Staff and Intervenor: 1) the uncontested modification to Mr. Charles Zelnio's property, and 2) Mr. Ramp's Alt 1 modification.

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor ATXI's Route A (with Mr. Zelnio's modification) as the least-cost route when all costs and benefits are taken into account. The Commission appreciates the parties' agreement to construct Route A as modified as Mr. Zelnio proposed and finds the added cost reasonable in this circumstance. With respect to the Ramp Alt 1 modification, the Commission finds the higher cost, increased difficulty constructing and maintaining the Transmission Line, and movement away from utilizing Interstate 74' existing corridor, weigh against its adoption.

## **V. MANAGING AND SUPERVISING THE CONSTRUCTION PROCESS**

### **A. ATXI's Position**

To grant the requested certificate, Section 8-406(b)(2) of the Act requires the Commission to find that the applicant "is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision" of the construction. 220 ILCS 5/8-406(b)(2). ATXI asserts it has made the requisite showing, and that this is not in dispute.

ATXI maintains the record shows the Company is capable of efficiently managing and supervising the construction process of the project and of ensuring adequate and efficient construction and supervision. ATXI explains that Ameren Services, on behalf of ATXI, will manage and supervise the construction processes. ATXI notes Ameren Services has extensive experience in this regard—it has been constructing transmission line projects for decades and has managed the construction and re-construction of hundreds of miles of transmission lines. In fact, ATXI asserts, Ameren Services has

been responsible, on behalf of Ameren Illinois Transmission Company (predecessor to ATXI) and Ameren Illinois Company (Ameren Illinois), for managing and supervising the construction processes of significant transmission line projects approved by the Illinois Commerce Commission (Commission) in Dockets 06-0179, 06-0706, 07-0532, 10-0079, 12-0080, 12-0154, and 13-0115. In addition, the Company notes, on behalf of ATXI, Ameren Services is responsible for managing and supervising the construction processes of the Illinois Rivers Project, which was recently approved in Docket 12-0598.

ATXI states it also has taken, and will continue to take, sufficient action to ensure adequate and efficient construction and supervision of the construction processes for the Project. ATXI points out that Ameren Services has documented corporate project oversight policies and procedures that govern all phases of Ameren affiliates' transmission line projects, including this Project. ATXI notes these policies and procedures are consistent with the Project Management Institute's *Project Management Book of Knowledge* (PMBOK), which is an American National Standards Institute standard. Additionally, ATXI states Ameren Services will construct the Project in accordance with all applicable federal and state regulations and orders of the Commission, including Part 305 of the Commission's Rules and the National Electrical Safety Code.

ATXI points out that Staff does not doubt ATXI's ability to construct the Project. Further, ATXI notes, no Intervenor have questioned ATXI's (or Ameren Services') ability to efficiently manage and supervise the Project's construction processes, or to ensure adequate and efficient construction and supervision of the Project.

In sum, it is the position of ATXI that its ability to efficiently manage and supervise the construction process of the Project and to ensure adequate and efficient construction and supervision of it is not in dispute. ATXI states the Commission should find ATXI has made the requisite showing under Section 8-406(b)(2) of the Act. 220 ILCS 5/8-406(b)(2).

## **B. Commission Conclusion**

Section 8-406(b)(2) of the Act requires the Commission to find that the applicant "is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction." 220 ILCS 5/8-406(b)(2).

ATXI has established that Ameren Services, on behalf of ATXI, will manage and supervise the construction processes. AMS has extensive experience in this regard, and has managed and supervised the construction processes of many transmission line projects approved by the Commission, including those approved in Docket Nos. 06-0179, 06-0706, 07-0532, 10-0079, 12-0080, 12-0154, and 13-0115. The Commission notes that neither Staff, nor Intervenor have questioned ATXI's (or Ameren Services') ability to efficiently manage and supervise the Project's construction processes, or to ensure adequate and efficient construction and supervision of the Project. Thus, ATXI's ability to efficiently manage and supervise the construction process of the Project and to

ensure adequate and efficient construction and supervision of it is not in dispute. The Commission finds that ATXI has made the requisite showing under Section 8-406(b)(2).

## **VI. FINANCING THE PROPOSED CONSTRUCTION**

### **A. ATXI's Position**

Section 8-406(b)(3) of the Act requires the Commission to find that the utility seeking a Certificate is "capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers." 220 ILCS 5/8-406(b)(3). ATXI states the record establishes that the Company is capable of financing the Project, and that no party has argued otherwise.

ATXI states it has shown that it will be able to finance the Project without significant adverse financial consequences. ATXI notes the funds required for construction will be available to ATXI, at least initially, primarily from Ameren Corporation, its parent company.

ATXI explains the total expected cost for the Project ranges from \$144.8 to \$150.6 million for Routes A and B, respectively. ATXI states Ameren Corporation is well-capitalized and has more than adequate financial resources to fund the Project cost. ATXI witness Mr. Hughes testified that as of June 30, 2014, Ameren Corporation had \$21.6 billion of assets; \$16.7 billion of property and plant, \$12.5 billion in total long-term capitalization, and retained earnings were \$957 million. Thus, states ATXI, the Project's costs would add only 1.1% to Ameren's total long-term capitalization as of June 30, 2014. In addition, ATXI notes Ameren Corporation has strong investment-grade credit ratings, which will provide ATXI with access to debt capital at competitive rates. Therefore, ATXI states Ameren Corporation clearly possesses the financial wherewithal to fund the Project without bearing significant adverse consequences.

ATXI states it has access to Ameren Corporation's funds via intercompany loans and equity infusions. The Commission, notes ATXI, has already approved two intercompany borrowing arrangements: (1) a short-term arrangement for up to \$125 million under the Unilateral Borrowing Arrangement, approved as part of Docket 08-0174; and (2) a long-term arrangement under the Long Term Borrowing Agreement for up to \$100 million over a term not to exceed ten years approved under Docket 12-0017 on December 5, 2012. Going forward, ATXI states it will replace short-term borrowing under the long-term agreement, and will seek to renew the long-term lending arrangement at least every three years and to extend the maximum sum above the \$100 million limit as necessary. Ultimately, ATXI states it will likely be able to arrange its own revolving credit facility with external lenders or issue long-term debt in the private placement or public markets at some point within the next few years.

ATXI explains it will also have access to additional funds through periodic equity infusions from Ameren Corporation and ATXI's retained earnings. ATXI states it currently has retained earnings and will continue to receive earnings based on the transmission facilities it currently owns and those to be constructed as part of this

Project. ATXI explains its transmission facilities are a part of MISO, which provides service and receives revenue from wholesale and retail customers that it then distributes to ATXI via the MISO tariff. This MISO tariff, notes ATXI, also allows the Company to recover its interest expense associated with its construction debt in the year in which it is incurred, and to earn a rate of return on the equity portion of its capitalization, meaning “ATXI will be made whole throughout its construction cycle.” ATXI explains these provisions significantly reduce the financial risk associated with the construction of the Project. For that reason, it is the position of ATXI that the Project should not impose financial stress on ATXI, or on Ameren Corporation.

ATXI witness Mr. Hughes concluded “ATXI can finance the Project without adverse financial consequences to the utility.” ATXI points out that no party to this proceeding has disputed this conclusion. Further, ATXI points out, Staff witness Mr. Rockrohr, in his direct testimony, stated he did not have knowledge of anything that would lead him to question ATXI’s ability to finance the Project. Therefore, it is ATXI’s position that the Commission should find the Company has satisfied its evidentiary burden under Section 8-406(b)(3).

## **B. Commission Conclusion**

The Commission finds that Ameren Corporation’s access to debt and equity markets, the fact that the Project’s total cost would add only approximately 1.1% to Ameren’s total long-term capitalization as of June 30, 2014, and Ameren’s strong investment-grade credit ratings (which will provide ATXI with access to debt capital at competitive rates), each indicate that Ameren Corporation possesses the financial wherewithal to fund the Project without bearing significant adverse consequences. No party has disputed ATXI’s access to Ameren Corporation’s funds.

Moreover, because the Project will be part of MISO, ATXI will receive revenue via the MISO tariff. The MISO tariff also allows ATXI to recover its construction debt in the year in which it is incurred, and to earn a rate of return on the equity portion of its capitalization, meaning that ATXI will be made whole throughout its construction cycle. The Commission finds that these provisions significantly reduce the financial risk associated with the construction of the Project, and indicate that the Project will not impose financial stress on ATXI.

As a result, the Commission finds that ATXI is capable of financing the proposed construction without significant adverse financial consequences for ATXI or its customers.

## **VII. SECTION 8-503 AUTHORITY**

### **A. ATXI’s Position**

ATXI also seeks a Commission order authorizing the Project be built pursuant to Section 8-503 of the Act. Section 8-503 of the Act provides whenever the Commission finds that additions to existing plant are necessary and ought reasonably to be made, or that a new structure or structures ought to be erected, the Commission “shall make and

serve an order authorizing or directing that such additions . . . be made, or structure or structures be erected . . . .” 220 ILCS 5/8-503. No party opposes the issuance of a Section 8-503 Order. For the reasons set forth above, it is ATXI’s position that the Project is necessary and the Commission should authorize or direct its construction pursuant to Sections 8-503 and 8-406 of the Act.

## **B. Commission Conclusion**

In considering ATXI’s request for an order authorizing the Project be built pursuant to Section 8-503 of the Act, the Commission notes that no party opposes the issuance of a Section 8-503 Order. Section 8-503 of the Act provides whenever the Commission finds that additions to existing plant are necessary and ought reasonably to be made, or that a new structure or structures ought to be erected, the Commission “shall make and serve an order authorizing or directing that such additions . . . be made, or structure or structures be erected . . . .” 220 ILCS 5/8-503. For the reasons set forth above, the Commission finds that the Project is necessary and authorizes its construction pursuant to Sections 8-503 and 8-406.

## **VIII. FINDINGS AND ORDERINGS PARAGRAPHS**

The Commission, having considered the entire record herein, and being fully advised in the premises, is of the opinion and finds that:

- 1) Ameren Transmission Company of Illinois is a public utility within the meaning of Section 3-105(a)(1) of the Act;
- 2) The Commission has jurisdiction over Ameren Transmission Company of Illinois and the subject matter herein;
- 3) The recitals of fact and conclusions of law reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact and conclusions of law for the purposes of this Order;
- 4) ATXI proposes to construct, operate and maintain approximately 40 miles of new 345 kV electric transmission line from Fargo (near Peoria, Illinois) to Galesburg, Illinois, along with a new substation at Galesburg and expanded substation facilities at Fargo, in the counties of Peoria and Knox, Illinois;
- 5) The Project as approved herein will promote the public convenience and necessity;
- 6) The Project as approved herein is necessary to provide adequate, reliable and efficient service and is the least-cost means of satisfying the service needs of the public utility’s customers ;
- 7) The Project as approved herein is necessary to promote the development of an effectively competitive electricity market that operates efficiently, and

is equitable to all customers and is the least cost means of satisfying those objectives;

- 8) Petitioner has demonstrated those elements necessary to be granted a Certificate of Public Convenience and Necessity authorizing the construction of the new facilities;
- 9) Petitioner has demonstrated that the Transmission Line route as shown on ATXI Exhibit 8.1 (p. 2) and legally described on ATXI Exhibit 7.1 (pp. 1-2), is reasonable, least cost and should be approved;
- 10) Petitioner has demonstrated those elements necessary to be granted an Order under Section 8-503 of the Act;
- 11) The easement widths for the 345 kV line as proposed by ATXI are reasonable and appropriate and should be approved;

IT IS FURTHER ORDERED by the Illinois Commerce Commission that a Certificate of Public Convenience and Necessity shall be issued to Ameren Transmission Company of Illinois pursuant to Section 8-406 of the Public Utilities Act, and that said certificate shall read as follows:

#### **CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

IT IS HEREBY CERTIFIED that the public convenience and necessity require (1) construction, operation, and maintenance by Ameren Transmission Company of Illinois of a Transmission Line as described in the record in Docket No. 14-0514, together with such related facilities, land rights, ties to adjacent transmission lines, or repairs, as are or may become reasonably necessary to promote the public convenience and necessity and to secure adequate service; and (2) the transaction of an electric public utility business in connection therewith, all as herein before set forth.

IT IS FURTHER ORDERED that the Transmission Line route as shown on ATXI Exhibit 8.1 (p. 2) and legally described on ATXI Exhibit 7.1 (pp. 1-2), including an 150 feet right-of-way, is approved;

IT IS FURTHER ORDERED that, pursuant to Section 8-503 of the Public Utilities Act, Ameren Transmission Company of Illinois is hereby authorized and directed to construct, operate, and maintain the Project as described herein, together with such related facilities as are or may become reasonably necessary to promote the public convenience and necessity and to secure adequate service.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

Dated: June 30, 2015

Respectfully submitted,

**AMEREN TRANSMISSION COMPANY  
OF ILLINOIS**

/s/ Albert Sturtevant

One of its Attorneys

Edward C. Fitzhenry

Eric Dearmont

**AMEREN SERVICES COMPANY**

One Ameren Plaza

1901 Chouteau Avenue

St. Louis, Missouri 63166

(314) 554-3533

(314) 554-4014 (fax)

efitzhenry@ameren.com

edearmont@ameren.com

Albert D. Sturtevant

Rebecca L. Segal

Hanna M. Conger

**WHITT STURTEVANT LLP**

180 N. LaSalle Street, Suite 2001

Chicago, Illinois 60601

(312) 251-3017

sturtevant@whitt-sturtevant.com

segal@whitt-sturtevant.com

conger@whitt-sturtevant.com

## **CERTIFICATE OF SERVICE**

I, Albert Sturtevant, an attorney, certify that on June 30, 2015, I caused a copy of the foregoing *Ameren Transmission Company of Illinois' Position Statement and Suggested Conclusions* to be served by electronic mail to the individuals on the Commission's Service List for Docket 14-0514.

/s/ Albert Sturtevant

**Attorney for Ameren Transmission  
Company of Illinois**